

LAW OFFICES OF DONALD H. HOWE, LLC

Attorneys at Law

February 28, 2019

BY E FILING

Honorable Jocelyn Boyd
Chief Clerk/Administrator
The Public Service Commission
State of South Carolina
101 Executive Center Drive
Suite 100
Columbia, SC 29210-8411

RE: Docket No. 2018-257-WS
Application of Kiawah Island Utility, Inc. for Adjustment of Rates and
Charges and Modifications to Certain Terms and Conditions for the
Provision of Water and Sewer Service

Dear Ms. Boyd:

Please find enclosed for filing the rebuttal testimony of Commissioner Debra Lehman on behalf of the St. John's Fire Commission in the above matter along with a certificate of service:

Please let me know if you need any further information.

With kindest regards, I am

Sincerely,



Donald H. Howe

DHH/ghb
Enclosure

cc: Jeffrey M. Nelson, Esquire
Alexander W. Knowles, Esquire
Dwayne Green, Esquire
Carri Grube-Lybarker, Esquire
Becky Dover, Esquire
Scott Elliott, Esquire

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2018-257-WS

IN RE: Application of Kiawah Island Utility,)	REBUTTAL TESTIMONY
Inc. for Adjustment of Rates and)	
Charges and Modifications to Certain)	OF
Terms and Conditions for the Provision)	
of Water and Sewer Service)	DEBRA LEHMAN

My name is Debra Lehman and I am providing this testimony in response to the rebuttal testimony of Becky Dennis filed on or about February 21, 2019.

In her original testimony, Ms. Dennis provided a breakdown in Exhibit BD-10 in which she claimed Kiawah Island Utility, Inc. (KIU) should be reimbursed for .75 hours per hydrant (of which there are 494) for flushing hydrants after training by the St. Johns Fire Department. In her rebuttal testimony to support her assertion, Ms. Dennis attached “work orders” for the year 2018 demonstrating when this type work was done. A review of the documents shows, however, that at most, 12 hydrants were flushed as opposed to the 494 utilized in Exhibit BD-10. Even if one were to assume that KIU spent an hour on each of the 12 hydrants (and the paperwork documents less) then the claim for reimbursement would be overstated by over 3,000%.

As to the line item of Exhibit BD-10 that addresses training around hydrants, I would point out the Ms. Dennis concedes that there are hydrants that are not maintained by KIU. She asserts it is “a very small percentage” but she does not attempt to approximate a number nor does she lay out a factual basis for her assertion. In sum, she admits the assertion on the line item in

Exhibit BD-10 is inaccurate, she just contends (without any factual justification) it is not as inaccurate as we suspected.

Finally, as to the St. Johns Fire District's concern that residents of Wadmalaw (who have no water and sewer service) end up paying for Kiawah's per hydrant fee, KIU essentially says "it's not our problem" and suggests it is a billing issue we could fix if we chose to. I should point out that our revenues are collected by Charleston County from property taxes on residents from Johns Island, Kiawah Island, Wadmalaw, and Seabrook. We have no way to collect revenues differently based on the different fee structures of Kiawah or Seabrook, etc. We can only tax, as authorized and administered by Charleston County, on millage rates on property. We do not have the flexibility to assess Kiawah one way and Johns Island or Wadmalaw another. It is a "one size fits all" method and the only method available to us. I would hope that the Public Service Commission, given a choice between an unfair and non-transparent method of assessment represented by the per hydrant method and the fair and transparent method which could be accomplished by making it part of Kiawah residents' base rate, would choose the latter pathway which will assess the residents using the hydrants, and not those who don't.

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DOCKET NO. 2018-257-WS

Application of Kiawah Island Utility, Inc.
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Sewer Service

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on the 28 day of February 2019, I
served a copy of Rebuttal Testimony of Commissioner Debra Lehman in the above matter by
placing a copy of same in the United States mail and electronic mail addressed to the following:

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s/Donald H. Howe
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Attorney for Colleen Walz, Chief
St. John's Fire District

Dated: February 28, 2019